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FR-4915-01-P

SURFACE TRANSPORTATION BOARD

[Docket No. FD 36156]

Chicago South Shore & South Bend Railroad Company—Lease Exemption Containing
Interchange Commitment—Wisconsin Central Ltd.

Chicago South Shore & South Bend Railroad Company (CSS), a Class III rail carrier, has filed a verified notice of exemption under 49 C.F.R. § 1150.41 to lease from Wisconsin Central Ltd. (WCL) and operate approximately 5.64 miles of the City Industrial Track (CIT) in Gary, Ind., between milepost 1.21 and milepost 6.85.¹

According to CSS, the lease and related switching agreement between CSS and WCL were entered into on November 14, 2017.² As required by 49 C.F.R.

§ 1150.43(h)(1), CSS has disclosed in its verified notice that the lease agreement contains an interchange commitment, which affects CSS's ability to interchange traffic with carriers other than WCL. CSS has provided additional information regarding the interchange commitment as required by 49 C.F.R. § 1150.43(h). CSS states that it will operate the track it is leasing.

¹ CSS states that the CIT is a line of railroad, and not ancillary (industrial) trackage. However, according to CSS, the subject CIT lease transaction also involves ancillary track not subject to the Board's entry licensing requirements, pursuant to 49 U.S.C. § 10906.

² CSS filed a confidential version of the lease and related switching agreement with its notice of exemption to be kept confidential by the Board under 49 C.F.R. § 1104.14(a) without the need for the filing of an accompanying motion for protective order under 49 C.F.R. § 1104.14(b). See 49 C.F.R. § 1150.43(h).

CSS certifies that its projected annual revenues as a result of the transaction will not result in CSS's becoming a Class II or Class I rail carrier. However, because its projected annual revenues exceed \$5 million, CSS states that it provided notice on November 22, 2017, pursuant to the labor notice requirements of 49 C.F.R. § 1150.42(e).

CSS states that it intends to consummate the lease agreement on or after January 21, 2018, the effective date of the exemption.³

If the verified notice contains false or misleading information, the exemption is void ab initio. Petitions to revoke the exemption under 49 U.S.C. 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the effectiveness of the exemption. Petitions for stay must be filed no later than January 12, 2018 (at least seven days before the exemption becomes effective).

An original and ten copies of all pleadings, referring to Docket No. FD 36156, must be filed with the Surface Transportation Board, 395 E Street, S.W., Washington, DC 20423-0001. In addition, a copy of each pleading must be served on Rose-Michele Nardi, Transport Counsel PC, 1900 M Street, N.W., Suite 400, Washington, DC 20036.

Board decisions and notices are available on our website at "WWW.STB.GOV."

Decided: January 2, 2018.

By the Board, Scott M. Zimmerman, Acting Director, Office of Proceedings.

³ Pursuant to 49 C.F.R. § 1150.42(e), the exemption may not become effective until 60 days from CSS's November 22, 2017 certification.